

## Message Text

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ORIGIN EB-03

INFO OCT-01 ISO-00 /004 R

666

DRAFTED BY EB/OT /TA:HBREWSTER:JVM

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R 190059Z NOV 75

FM SECSTATE WASHDC

TO ALL OECD CAPITALS

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FOLLOWING REPEAT MTN GENEVA 8585 ACTION SECSTATE INFO EC  
BRUSSELS OTTAWA CANBERRA NEW DELHI RIO DE JANEIRO 13 NOV

QUOTE

LIMITED OFFICIAL USE MTN GENEVA 8585

DEPT PLS PASS ALL OECD CAPS

H PASS CODEL

E.O. 11652: NA

TAGS: ETRD GATT

SUBJ: MEETING OF MTN SUBGRP ON SUBSIDIES/COUNTERVAILING DUTIES: SUMM  
ARY

1. MTN SUBGROUP ON SUBSIDIES/COUNTERVAILING DUTIES MET  
NOV 10-13. MEETING DEVOTED TO QUESTIONS AND CLARIFICATIONS  
OF WRITTEN SUBMISSIONS. WHILE PRELIMINARY EXCHANGE  
OF CIEWS WASNOT WITHOUT INTEREST, DISCUSSION REVEALED DELEGATIONS  
NOT MUCH FURTHER ADVANCED IN IDEAS THAN OUTLINED  
IN WRITTEN PROPOSALS. FUNDAMENTAL POSITIONS ON MAJOR ISSUES  
REMAIN FAR APART. BILATERAL CONSULTATIONS MAY HELP NARROW  
SOME DIFFERENCES PRIOR TO NEXT MEETING ALTHOUGH EC PRIVATELY  
SEES NO WAY OF APPROACHING A SOLUTION IF AGRICULTURAL SUBSISIES  
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ARE INTENDED TO BE COVERED BY GENERAL SOLUTION.

2. DISCUSSION WAS PRIMARILY ON CONCEPTUAL LEVEL WHICH AVOIDED SOME SENSITIVE ISSUES. HOWEVER, EC, IN REPLY TO AUSTRALIAN INTERVENTION AND CONSISTENT WITH POSITIONS IN OTHER MTN MEETINGS, STATED ITS BELIEF THAT DISCUSSIONS OF SUBGROUP DID NOT APPLY TO AGRICULTURAL PRODUCTS. U.S. FORCEFULLY RESPONDED TO EC POSITION AND ISSUE WAS NOT PURSUED (EC PRIVATELY NOTED, HOWEVER, THAT ITS PROPOSALS ON COUNTERVAILING DUTIES DID APPLY TO ALL PRODUCTS, CONSISTENTLY WITH THE PROVISIONS OF GATT ARTICLE VI). BORDER TAX ISSUE RAISED BY EC QUESTION ON APPLICABILITY OF US PROPOSED PROHIBITED CATEGORY TO NEW YORK STATE SALES TAX. US RESPONDED THAT QUESTION TOUCHED ON ONLY PART OF LARGER AND MORE IMPORTANT ISSUE OF BORDER TAX ADJUSTMENTS THAT NEEDS TO BE TAKEN UP IN MTN, PERHAPS IN SEPARATE SUB-GROUP OR FAILING THAT, IN SUBSIDIES/CVD CONTEXT. (SEPTEL FOLLOWS)

3. SOME DELEGATES RECEPTIVE TO FURTHER EXPLORATION OF PORTIONS OF US PAPER IN NEGOTIATIONS INCLUDING DEFINITION OF EXPORT SUBSIDIES (CANADA), SUPPLEMENTARY PROTOCOLS (EC AND CANADA), COUNTERMEASURES FOR THIRD COUNTRY COMPETITIVE SUBSIDIZATION (AUSTRALIA) AND DIFFERENTIATED TREATMENT FOR LDC'S (INDIA, BRAZIL). MAJOR CRITICISMS FOCUSED ON IMPOSITION OF COUNTERVAILING DUTIES WITHOUT MEANINGFUL INJURY TEST, UNILATERAL COUNTERVAILING DUTY ACTION, AND LINKAGE OF SUBSIDIES AND COUNTERVAILING DUTIES. NUMEROUS QUESTIONS ALSO RAISED ABOUT COVERAGE OF SUBSIDY CATEGORIES.

4. CHAIRMAN'S SHORT SUMMING UP REFLECTS FACT THAT MEETING TOOK PLACE WITH EXCHANGE OF VIEWS AND THAT THERE WAS CONSENSUS OF GROUP THAT POSSIBILITIES EXISTED FOR DIFFERENTIAL TREATMENT FOR LDC'S IN THIS FIELD. DELEGATES WERE INVITED TO SUBMIT FURTHER PROPOSALS, QUESTIONS OR REVISIONS OF PREVIOUS SUBMISSIONS PRIOR TO NEXT MEETING SCHEDULED FOR LATE MARCH OR EARLY APRIL.

5. MORE DETAILED REPORTING CABLE WILL FOLLOW. WALKER UNQTE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, NEGOTIATIONS, COMMITTEE MEETINGS, COUNTERVAILING DUTIES, SUBSIDIES  
**Control Number:** n/a  
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**Draft Date:** 19 NOV 1975  
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**Disposition Case Number:** n/a  
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